

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

Cleveland-Cliffs Inc.,

Civil File No.: 21-cv-01293

Plaintiff,

v.

JURY TRIAL DEMANDED

Ravikant Ruia and
Essar Global Fund Limited,

Defendants.

COMPLAINT

Plaintiff Cleveland-Cliffs Inc. (“Cleveland-Cliffs”), by and through its undersigned counsel, alleges as follows:

INTRODUCTION

1. This case seeks damages from Defendants Ravikant “Ravi” Ruia and Essar Global Fund Limited (“Essar Global”) for a libelous statement made about Plaintiff Cleveland-Cliffs.

2. On May 26, 2021, Ravi Ruia and Essar Global published a letter in the Star Tribune regarding the Butler Taconite iron ore mine in Itasca County, Minnesota. *See* Ruia Letter, attached hereto as Exhibit 1. The letter was an attempt to falsely influence public opinion and the opinion of several key constituencies regarding the repeated failure of

Essar Global affiliate Mesabi Metallics LLC (“Mesabi”) to meet its obligations at the former Butler Taconite site.

3. The letter attempted to rewrite Mesabi and Essar Global’s role in the failure of the Butler Taconite mine project and present Mesabi as the only viable option for development of the former Butler Taconite mine site.

4. As pertains to Cleveland-Cliffs, which also has invested in and sought to develop the Butler Taconite site, Defendants asserted as fact that “Mesabi Metallics has invested more than \$1.5 billion on a mine that has been closed for 35 years. Over those decades, **no other mining company in Minnesota invested or attempted to revive the mine.**” Ex. 1 (emphasis added).

5. Defendants’ statement that “no other mining company in Minnesota invested or attempted to revive the mine” is patently false. In the past few years alone, Cleveland-Cliffs has invested more than \$50 million dollars acquiring land, seeking permits to mine the site, and protecting its ownership interests in its property. Indeed, Essar Global’s affiliate Mesabi has actively opposed and interfered with Cleveland-Cliffs’ attempt to obtain permits and begin exploration. This leaves no doubt that Defendants’ statement about “no other mining company in Minnesota” “invest[ing in] or attempt[ing] to revive the mine” was knowingly false and mischaracterized Cleveland-Cliffs’ substantial investment in and commitment to developing the former Butler Taconite site. At a time when employees, unions, contractors, and other constituents might weigh in on the path forward for the site, Defendants’ statements were calculated to mislead constituents in Minnesota into believing that Cleveland-Cliffs is not interested or viable.

6. Defendants' libelous statement harms Cleveland-Cliffs' business reputation in Minnesota. Cleveland-Cliffs has been continuously operating mining and other industrial operations in Minnesota for over 100 years. Cleveland-Cliffs maintains good relationships with its unions, employees, and contractors. Cleveland-Cliffs' actions support Minnesota's tax base through direct taxes and from the millions it injects into the Minnesota community every year. Cleveland-Cliffs annually employs over 2,200 men and women in Minnesota.

7. Defendants' libelous statement misrepresents to Minnesota workers, union members, contractors, and residents the real and valuable investment Cleveland-Cliffs has made in the former Butler Taconite site. Defendants made the statement to discredit Cleveland-Cliffs as a viable alternative to Mesabi to develop the site. Defendants' knowledge of the true facts, along with the context in which the statement was made, demonstrates that the statements were made with actual malice or reckless disregard for the truth. Cleveland-Cliffs therefore seeks compensatory and punitive damages for the harm caused to its reputation and injunctive relief prohibiting Ravi Ruia and Essar Global from making further false statements regarding Cleveland-Cliffs and its commitment to the State of Minnesota.

THE PARTIES

8. Plaintiff Cleveland-Cliffs Inc. was founded in 1847 and for more than 100 years has continually operated iron ore mines in Minnesota. Today, Cleveland-Cliffs is the largest flat-rolled steel company and the largest iron ore pellet producer in North America. Cleveland-Cliffs is a corporation organized and existing under the laws of Ohio

with its principal place of business at 200 Public Square, Suite 3300, Cleveland, Ohio 44114.

9. Based upon information and belief, Defendant Ravikant Ruia is a resident of the United Arab Emirates and a citizen of India. Ruia is the co-founder of Essar Global.

10. Based upon information and belief, Defendant Essar Global Fund Limited is a corporation organized and incorporated under the laws of the Cayman Islands. Its principal place of business is at 4300, Le Reve Towers, Dubai Marina, Dubai, United Arab Emirates.

JURISDICTION AND VENUE

11. This Court has original jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1332, which provides that district courts have original jurisdiction in civil actions between U.S. citizens and foreign citizens.

12. This cause of action arose in whole or in part in Hennepin County, Minnesota, where the libelous statement was published.

13. Upon information and belief, Plaintiff's damage is in excess of \$75,000.

14. Venue is proper in this Court because all or part of the material events described herein occurred in Hennepin County.

15. The events and actions described herein occurred in Minnesota and had an impact in Minnesota, as Defendants intended.

FACTUAL ALLEGATIONS

A. Essar Global Subsidiary Mesabi Metallica Failed To Develop the Butler Taconite Mine Or Meet Its Obligations To Maintain State Mineral Leases At The Butler Taconite Site.

16. In 2008, Essar Steel Minnesota LLC (“ESML”), a subsidiary of defendant Essar Global, bought the former Butler Taconite iron ore mine in Itasca County, Minnesota.

17. Over the course of the next eight years, ESML tried—and failed—to build a functioning iron ore mine at the former Butler Taconite site. ESML claimed that its failure to construct a functioning iron ore mine owed at least in part to the actions of Defendants Essar Global and Ravi Ruia in siphoning money from the project and sending funds overseas. Compl., *Essar Steel Minn. v. Essar Glob. Fund Ltd., et al.*, Adv. Proc. No. 17-50001 (Bankr. D. Del. Jan. 11, 2017), Adv. D.I. 1; 1st Am. Compl., *id.* (Bankr. D. Del. Aug. 29, 2017), Adv. D.I. 32. ESML alleged that “Essar Global took funds borrowed by ESML . . .” and these funds were “not utilized to complete the Project.” Adv. D.I. 32 ¶ 5. By the first half of 2016, ESML had fallen behind on payments to lenders, vendors, and contractors and owed millions of dollars for work performed at the site. All that was left was “a half-completed iron ore pellet plant that will cost hundreds of millions of dollars more to finish.” *Id.* ¶ 2.

18. The State of Minnesota announced its intention to cancel the leases in 2016, and, as of July 2016, ESML was in danger of losing its right to mine iron ore at the Butler Taconite site. Scrambling to protect those leases from being terminated by the State of Minnesota, ESML declared bankruptcy on July 8, 2016. *See* Voluntary Pet. For Non-

Individuals filing for Bankr., *In re Essar Steel Minnesota LLC and ESML Holdings Inc.*, No. 16-11626 (Del. Bankr. Ct. July 8, 2016), D.I. 1.

19. ESML changed its name to Mesabi Metallica LLC and emerged from bankruptcy in 2017. Since it emerged from bankruptcy, Mesabi has continued its pattern of repeatedly breaching its obligations in its lease agreements with the State of Minnesota. Among other breaches, Mesabi was unable to complete construction by the end of 2019, missed scheduled payments to the State of Minnesota throughout 2020, did not ship any pellets by the end of 2020, and failed to obtain substantial financing commitments required by the State of Minnesota ahead of a recent May 1, 2021 deadline.¹

20. Essar Global has been a part of these failures. Since at least January 2019, Essar Global has held an ownership interest in Mesabi. Essar Global publicly re-appeared after claiming it bought a portion of Mesabi's debt, and it quickly touted its purported financial commitment that "pave[d] the way for Essar Global to once again participate in the . . . project that is under construction in Minnesota."² Defendant Ruia himself came back to the site, flying in on Essar Global's private jet to Nashwauk to inspect the site.³

¹ See Jimmy Lovrien, *State moves to terminate Mesabi Metallica leases*, DULUTH NEWS TRIBUNE (May 5, 2021), <https://www.duluthnewstribune.com/business/energy-and-mining/7015949-State-moves-to-terminate-Mesabi-Metallica-leases>.

² Jimmy Lovrien, *Mesabi Metallica misses year-end deadline; Essar said it will 'participate' in project*, DULUTH NEWS TRIBUNE (Jan 7, 2019, 7:00 PM), <https://www.duluthnewstribune.com/business/energy-and-mining/4553549-mesabi-metallica-misses-year-end-deadline-essar-said-it-will>.

³ Jerry Burnes, *Essar, Co-Founder Ruia Pay Visit to Nashwauk Site*, MESABI DAILY NEWS (June 28, 2019), https://www.virginiamn.com/news/essar-co-founder-ruia-pay-visit-to-nashwauk-site/article_6701661e-9a10-11e9-a365-ffdf3f4430c1.html.

Essar Global, and its employees, have continued to act on behalf of Mesabi, including lobbying state officials.⁴ As recently as May 2021, defendant Ruia stood in Minnesota alongside Mesabi personnel promoting the project to local stakeholders.⁵

21. The Iron Range did not welcome the news of Essar Global's involvement. In light of Essar Global's role in causing Mesabi's bankruptcy, which cost Minnesota companies and workers to lose millions of dollars, the Minnesota Department of Natural Resources (the "DNR") began debarment proceedings against Essar Global on February 13, 2019, seeking to prevent Essar Global from conducting business in the State of Minnesota.⁶ The DNR stated that it had "no confidence that Essar, if it were to take any operational, management, oversight, or even investor role in the Mesabi Metallics project, would act in good faith to ensure timely construction and professional operation of the project."⁷ Essar Global filed an unsuccessful lawsuit in Minnesota attempting to stop the debarment, but the court dismissed the case.⁸ Minnesota lawmakers commended the

⁴ *Id.*

⁵ See *Mesabi Metallics pushing forward, asking state to stop termination of leases*, WDIO-TV (May 19, 2021), <https://www.wdio.com/mining-news/mesabi-metallics-construction-mining-leases-leaders-future-range/6113178/>.

⁶ See John Myers & Jimmy Lovrien, *State moves to keep Essar out of Mesabi Metallics*, DULUTH NEWS TRIBUNE (Jan. 28, 2019, 5:00 PM), <https://duluthnewstribune.com/news/government-and-politics/4562936-state-moves-keep-essar-out-mesabi-metallics>.

⁷ Compl. Ex. E, *Essar Glob. Fund Ltd. v. Minn. Dep't of Nat. Res., et al.*, No. 62-CV-19-1122 (Minn. D. Ct. Feb. 20, 2019).

⁸ See Jerry Burnes, *Essar Steel in limbo with the State*, MESABI TRIBUNE (June 23, 2020), https://www.mesabitribune.com/mine/essar-still-in-limbo-with-state/article_eabb138a-b5c4-11ea-a77f-8379ff3c0b2c.html.

DNR's efforts to banish Essar Global from the State, stating that "Essar's ongoing manipulation of this process has gone on long enough, suffocating any real prospect for new opportunities."⁹

22. Finally the State of Minnesota reached its tipping point, and on May 5, 2021, the DNR announced that it intended to terminate Mesabi's leases at the former Butler Taconite site due to Mesabi's failure to meet yet another deadline for obtaining financing and meeting milestones for the project.¹⁰ The DNR gave Mesabi until May 25, 2021 to cure its deficiencies.

23. Although Mesabi publicly claimed on May 16, 2021 that it had cured its breach of the state mineral leases,¹¹ the Minnesota DNR announced on May 26, 2021 that the cure was deficient and that the leases were terminated.¹²

⁹ Jerry Burnes, *The State Wants to Debar Essar So Now What*, MESABI DAILY NEWS (Jan. 30, 2019), https://www.virginiamn.com/news/the-state-wants-to-debar-essar-so-now-what/article_6cc06f9e-24fb-11e9-a5fe-cf70b2e8d871.html ("Essar's ongoing manipulation of this process has gone on long enough . . ." said Iron Range State Reps. Julie Sandstede and Rob Ecklund, "After all we've been through, debarment of Essar is entirely appropriate.").

¹⁰ See Jimmy Lovrien, *State moves to terminate Mesabi Metallica leases*, DULUTH NEWS TRIBUNE (May 5, 2021), <https://www.duluthnewstribune.com/business/energy-and-mining/7015949-State-moves-to-terminate-Mesabi-Metallica-leases>.

¹¹ See Lee Bloomquist, *Mesabi Metallica challenges termination of state mineral leases*, BUSINESSNORTH (May 16, 2021), http://www.businessnorth.com/daily_briefing/mesabi-metallica-challenges-termination-of-state-mineral-leases/article_e8dfe7f4-b6ac-11eb-b984-87c9073f6739.html.

¹² See Mike Hughlett, *State axes leases for troubled Nashwauk iron ore project*, STAR TRIBUNE (May 26, 2021), <https://www.startribune.com/state-axes-leases-for-troubled-nashwauk-iron-ore-project/600061579/>.

B. Ruia And Essar Global Publish A Letter In The Star Tribune Defaming Cleveland-Cliffs' Reputation In An Effort To Sway Public Opinion Against Cleveland-Cliffs As A Suitor For The State Mineral Leases.

24. On May 26, 2021, Defendants Ruia and Essar Global published a letter in the Star Tribune titled “Why are two Parties with Good Intentions at Odds with Each Other.” *See* Ex. 1. The letter was addressed “Dear Minnesotans” and was signed by “Ravi Ruia, Co-Founder Essar Global Fund Ltd.” *Id.* Defendants wrote the letter and published it in the Star Tribune with the intent, knowledge, and understanding that it would be broadly disseminated to the public in Minnesota and beyond.

25. The letter described how Defendant Essar Global and the Minnesota DNR “are now at odds” regarding Mesabi’s and Essar Global’s efforts to develop a mine at the Butler Taconite site. (Ex. 1.) It then touted Mesabi’s investment in and plans for the site in an apparent attempt to convince “Minnesotans” that Mesabi should be permitted to retain the state mineral leases and develop the site.

26. Defendants committed an actionable tort when their advocacy crossed the line with an **outright lie** about Cleveland-Cliffs.

27. In the letter, Defendants made a false statement about Cleveland-Cliffs that is contrary to information Ruia and Essar Global knew prior to publication. The letter claimed that “[i]n the past thirteen years, what is now Mesabi Metallica has invested more than \$1.5 billion on a mine that has been closed for 35 years. Over those decades, **no other mining company in Minnesota invested or attempted to revive the mine.**” *Id.* (emphasis added).

28. Contrary to Defendants' statement, Cleveland-Cliffs has invested tens of millions to acquire land and mineral rights for the purposes of mining iron ore at the former Butler Taconite site. *See Cleveland-Cliffs Inc. Announces Acquisition of Real Estate Interests in Itasca County, Minnesota*, BUSINESSWIRE (Dec. 11, 2017), <https://www.businesswire.com/news/home/20171211005749/en/Cleveland-Cliffs-Inc.-Announces-Acquisition-of-Real-Estate-Interests-in-Itasca-County-Minnesota>.

29. For several years, Cleveland-Cliffs repeatedly and publicly has expressed a willingness and ability to mine the site. At the State's invitation, Cleveland-Cliffs invested time and money in 2015 and 2016 into potential business plans for the site in the event ESML defaulted on its obligations—which it did, but not without cajoling the State into granting an ill-fated extension that ultimately enabled ESML to take its state mineral leases with it into bankruptcy in July 2016. During the bankruptcy, Cleveland-Cliffs bid on the ESML-held assets. And in late 2017, when ESML let private mineral leases expire, Cleveland-Cliffs spent millions to acquire those mineral rights. Intent on developing the Butler site, Cleveland-Cliffs submitted a request to DNR in 2018 to modify, transfer (to Cleveland-Cliffs), or revoke parts of Mesabi's permit to mine affecting Cleveland-Cliffs' newly-acquired parcels.¹³ Cleveland-Cliffs also has invested more than \$100 million during this time period in its existing mines and pellet production facilities in Minnesota.

30. Defendant Essar Global, as Mesabi's majority owner, is aware of Cleveland-Cliffs' ongoing efforts to obtain permits to mine the land as Mesabi has opposed Cleveland-

¹³ March 19, 2018 Letter from Cleveland-Cliffs to DNR.

Cliffs' efforts. By virtue of his role as co-founder of Essar Global and involvement with Mesabi and the site, defendant Ravi Ruia also is aware of Cleveland-Cliffs' ongoing efforts to obtain permits to mine the site.

31. Cleveland-Cliffs' interest in the former Butler mine also is ongoing. Indeed, just recently on February 2, 2021 it was publicized that Cleveland-Cliffs is continuing to pursue land options in Nashwauk and that Cleveland-Cliffs' CEO "repeated his proposal to mine Nashwauk and put a DRI plant and steel plant at the site."¹⁴

32. Defendants' statement impugns Cleveland-Cliffs' reputation as an active participant in Minnesota mining. Cleveland-Cliffs has enjoyed a reputation as a corporate citizen of Minnesota that has, for over a century, successfully and responsibly invested in the State, developed projects, paid taxes, and employed Minnesota residents.

33. Defendants' statement also falsely implies that Cleveland-Cliffs is no longer interested in developing the site. To the contrary, Cleveland-Cliffs remains a hopeful participant in mining the former Butler mine.

34. Defendants were well aware of Cleveland-Cliffs' interest and attempt to mine the former Butler mine. Yet Defendants made the statement with knowledge that the statement was false, or in reckless disregard for its truth, which could have been discovered through even a cursory examination of the press releases and news stories relating to Cleveland-Cliffs' involvement in the site.

¹⁴ See *CEO of Cliffs responds to Walz letter about future of Hibbing Taconite*, WDIO-TV (Feb. 2, 2021), <https://www.wdio.com/mining-news/cleveland-cliffs-ceo-hibbing-taconite-us-steel-walz-letter/5998872/>.

35. Defendants' statement, filed the morning after Mesabi's deadline for curing its default on the state mineral leases and the same day the State of Minnesota announced its formal termination of those leases,¹⁵ was clearly intended to harm Cleveland-Cliffs, a Minnesota mining company that has already made substantial investments in the property.

36. Because these statements go to Cleveland-Cliffs' business reputation, they are actionable as libel per se. These statements damage Cleveland-Cliffs' reputation with its customers, employees, unions, investors, and other constituents.

COUNT I
LIBEL PER SE

37. Cleveland-Cliffs repeats and realleges the allegations in paragraphs 1 through 36 as if fully set forth herein.

38. On or about May 26, 2021, Defendants published the letter, which was disseminated by the Star Tribune.

39. The letter contained a false statement of fact: "no other mining company in Minnesota invested or attempted to revive the [former Butler Taconite] mine."

40. Readers of the Star Tribune would understand the Defendants' false and defamatory statement as referring to Cleveland-Cliffs. The existence of Cleveland-Cliffs as a major iron ore mine operator in the Mesabi Iron Range—and repeated references to Cleveland-Cliffs in news coverage about Mesabi—allows a reader to infer the Defendants'

¹⁵ See Mike Hughlett, *State axes leases for troubled Nashwauk iron ore project*, STAR TRIBUNE (May 26, 2021), <https://www.startribune.com/state-axes-leases-for-troubled-nashwauk-iron-ore-project/600061579/?refresh=true>.

false and defamatory statement is directed at Cleveland-Cliffs. Indeed, Cleveland-Cliffs is the mine operator in Minnesota that has invested in mineral rights at the Butler mine and has actively sought to develop it.

41. The false statement in the letter caused and continues to cause harm to Cleveland-Cliffs as an active participant in the Minnesota mining community and as a ready, willing, and viable alternative for developing the Butler Taconite site.

42. The false and defamatory statement in the letter was intended to damage and reflect negatively on Cleveland-Cliffs' business reputation and lower that reputation in the estimation of the community.

43. Defendants acted with malice when they published this false and defamatory statement because Defendants knew the statement was false at the time they made it, or in the alternative acted with reckless disregard in attempting to discover the truth, falsity, or defamatory character of their statement.

44. Defendants' false and defamatory statement was published to the media with the intent that such media sources would republish the statement and disseminate it throughout the state of Minnesota and beyond.

45. As a result of Defendants' false and defamatory statement, Cleveland-Cliffs has suffered loss of reputation and injury to its goodwill in the community causing damages in excess of the jurisdictional minimum of this Court of \$75,000 in an amount to be determined at trial.

46. Cleveland-Cliffs will continue to be harmed by Defendants' false and defamatory statement unless Defendants are enjoined by this Court and are directed to

correct and withdraw the false and defamatory statement to prevent the further propagation or dissemination of the false and defamatory statement.

47. Cleveland-Cliffs is entitled to monetary damages in an amount to be determined by the jury at trial, and an Order by this Court directing that Defendants correct and withdraw the false and defamatory statement made, and refrain from making or publishing such statements in the future.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Cleveland-Cliffs respectfully requests that this Court enter judgment in its favor and against Defendants as follows:

- a. A judgment for monetary damages against Defendants in an amount to be determined by the jury at trial;
- b. An injunction and order that Defendants correct and withdraw the false and defamatory statement and cease from again making or publishing such statements;
- c. An award of attorneys' fees, costs and expenses; and
- d. Such other and further relief as this Court finds equitable and just.

JURY DEMAND

Cleveland-Cliffs requests trial by jury.

Dated: May 28, 2021

JONES DAY

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** Denotes Motion for Admission Pro Hac
Vice is forthcoming.*